HHS PERFORMANCE MANAGEMENT PROGRAM AT NIH

Prepared by the Office of Human Resources, NIH

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Overview

- **Coverage and Concepts**
- **Performance Plan Development**
- **Assignment of Employee Ratings**
- **Key Milestones**
- **Roles and Responsibilities**
- **Challenges**
- **Next Steps**

Coverage & Concepts
Results Focused Program

- Covers GS, WG, and *T42 employees (excludes SES and Commissioned Corps)

    * Appeal to HHS to place senior level T42 scientists in a program akin to SES

- Shifts from pass/fail to multi-level
  (4-tiered) rating system with 4 summary ratings possible:
    Exceptional, Fully Successful,
    Minimally Successful and Unacceptable

- Establishes calendar year as rating cycle for all covered employees

Coverage & Concepts

- Modeled loosely after HHS SES Performance Program:
  - Links awards to performance
  - Establishes minimum appraisal period as 90 days
  - Facilitates performance distinctions
  - Uses cascading: one or more critical elements relate to Top 20 and are customized to fit employee situation

PERFORMANCE PROGRAM COMPARISONS

OLD	NEW
Time Off; Quality Step Increases; and Special Act/Service awards used at NIH	Time Off; Quality Step Increases; and Special Act/Service awards continue to be used at NIH
All outcomes, outputs and critical elements in contracts and plans had to be cascaded from HHS "Ten & Ten"	At least 1 critical element in new plan is cascaded from HHS "Top 20" and can be customized to fit the employee's work situation
Many different appraisal cover sheets and forms to choose from	One cover sheet and one universal appraisal form

PERFORMANCE PROGRAM COMPARISONS

OLD	NEW
Two summary rating levels (pass/fail)	Four summary rating levels and numerical rating methodology
Minimum rating period 120 days	90 days
Calendar and Fiscal Year rating cycles	CY only
Performance contracts used many outputs and outcomes; critical elements were used in plans	Contracts obsolete! Everyone uses plans, which include no more than 6 critical elements/outcomes total

Supervisory Responsibilities Have Not Changed

Planning

Monitoring

Developing

Rating

Rewarding

Employee Performance Appraisal Form

Includes up to <u>six</u> critical elements that convey annual expected performance requirements

Critical Element Categories

Critical elements are so important that unacceptable performance in any critical element results in an overall rating of unacceptable

Administrative Requirements
- *<u>Section</u> for supervisors*
- *<u>Section</u> for all staff*

<u>Comprised of the following; check the ones that fit:</u>
- Performance Management
- Ethics and Integrity
- EEO/Diversity
- Employee Development
- Workforce Activity
- Customer Service
- Recovering Improper Payments

Individual Performance Outcomes

<u>Three to five of these:</u>
- Outcome 1
- Outcome 2
- Outcome 3
- Outcome 4
- Outcome 5

Developing Performance Plans

- Cascade from HHS and NIH broad goals and includes priorities and expectations relative to achieving IC, Division, unit, and individual goals

- Clearly define EXPECTATIONS and ACCOUNTABILITY

Developing Performance Plans

Performance Plans should be **SMART** -

- **Specific:** Goals and expectations are clearly stated and direct.

- **Measurable:** Outcomes are being achieved in comparison to a standard.

- **Attainable:** Goals or results/outcomes must be achievable and realistic.

- **Relevant:** Goals have a bearing on the overall direction of the organization, including the "One HHS" Program and Management Objectives.

- **Timely:** Results are measured in terms of deadlines, due dates, schedules, or cycles.

Critical Elements

Two Critical Element Categories:

1. **Administrative Critical Element (1)**
   holds all employees accountable for a common set of work performance requirements.

2. **Individual Performance Outcomes (3 – 5)**
   relates to major job assignments from the position description that contribute to the success of the organization.

Outcomes Defined

- Described as nouns

- Express specific end results

- Tangibles/intangibles that the unit produces to serve the needs of the customers

Outcomes Defined

- Should be impact statements which convey improvements, such as:

  - a reduction of costs
  - increased client satisfaction
  - effective patient treatment
  - a reduction in severity of disease for a given population
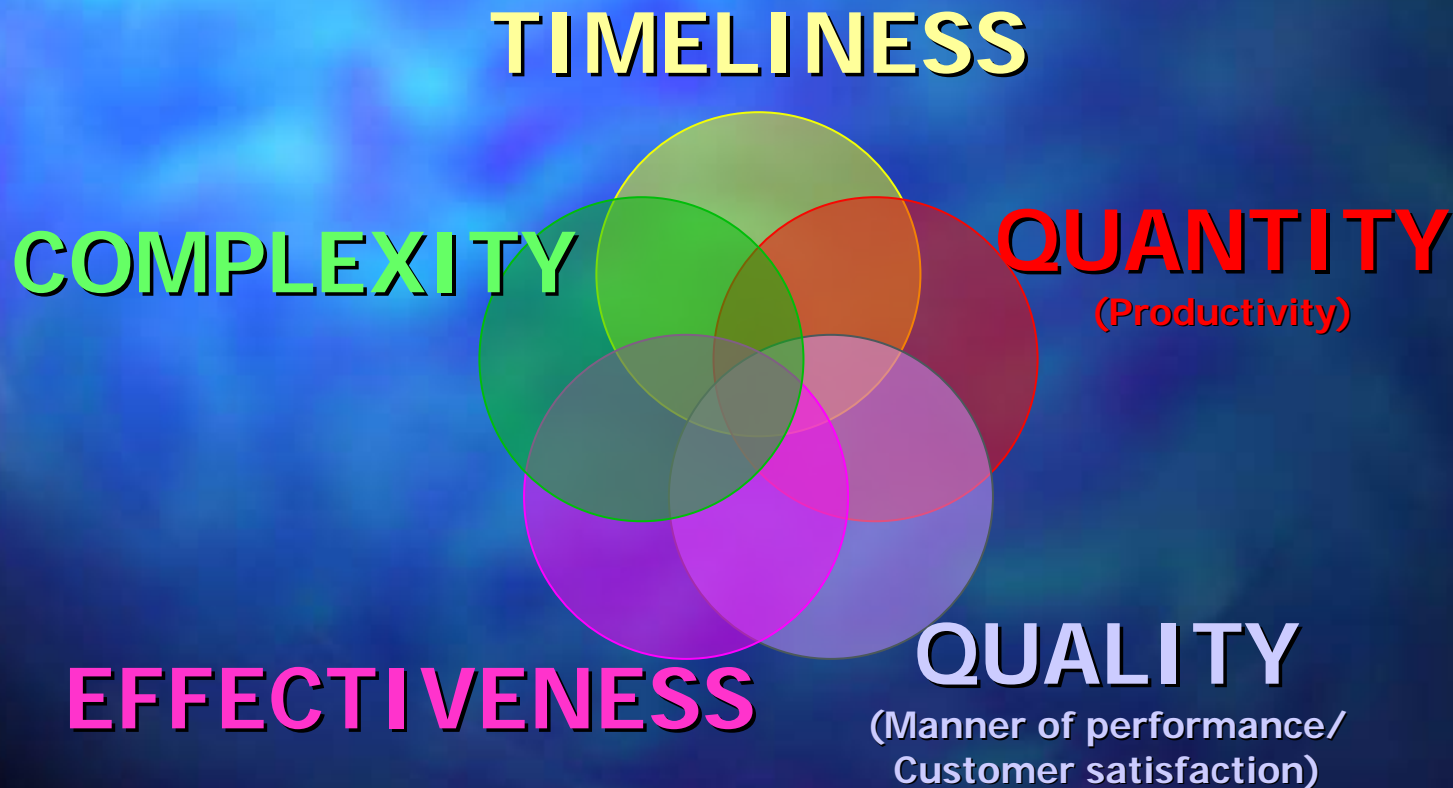
Writing Individual Performance Outcomes

Consider –

- **What needs to be accomplished and what do you want the employee to be accountable for during the rating period?**

- **What are the major deliverables (work products and/or services)?**

- **What is the fully successful level of performance for the outcome?**

- **What would success look like?**

Requirements for Cascading

- At least one outcome will cascade from, or "track back" to, one of the "Top Twenty" HHS objectives

- Outcomes may also relate to:
  - the NIH roadmap
  - GPRA or other programmatic goals
  - goals of other stakeholders and/or customers.

How do you make performance outcomes measurable?

TIMELINESS

COMPLEXITY

QUANTITY
(Productivity)

EFFECTIVENESS

QUALITY
(Manner of performance/
Customer satisfaction)

Sample Performance Outcome

Secretary/
Administrative Assistant

The PD states, "Arranges travel for staff members; prepares travel orders and vouchers."

Sample Performance Outcome

Sample Outcome –

"<u>Travel Services</u>
Travel services are effective, as demonstrated by:

-Travel orders and vouchers are consistently completed in accordance with NIH, OD, and OHR travel regulations and policy;

-Vouchers are normally completed within 5-7 days of receipt of the traveler's submission of paperwork."

Measures and Assessment Methods

QUALITATIVE

✓ **Self-assessment**

✓ **Supervisory Observation**

✓ **Peer Review**

✓ **Spot Checks**

✓ **Other Department feedback**

✓ **Customer feedback**

QUANTITATIVE

✓ **Record Review**

✓ **Performance/productivity data**

✓ **Automated Systems**

✓ **Surveys**

Four levels possible on individual critical elements and summary ratings

Exceptional:	**5 points**
Fully Successful:	**3 points**
Minimally Successful:	**2 points**
Unacceptable:	**1 point**

Defined under "Performance Definitions" on pages 7 and 8 of the appraisal form

An overall performance rating is arrived at by averaging the scores.

Total Points by the number of Critical Elements

- **Exceptional** — 4.4 to 5.0 points
- **Fully Successful** — 3.0 to 4.3 points
- **Minimally Successful** — 2.0 to 2.9 points
- **Unacceptable** — 1.0 to 1.9 points

Performance Awards for Summary Ratings

Performance Award – an annual, performance-based, lump sum cash payment to an individual employee based on the employee's rating of record. A performance award does <u>not</u> increase base pay.

Exceptional:

- *2.5 – 5.0% of base pay
  mandatory if funds available

Fully Successful:

- *Employees eligible for <u>up to 2.0%</u> of base pay
  only after all employees rated Exceptional have been paid first

KEY MILESTONES

Action	Dates (tentative)
Mandatory HHS web-based training for supervisors and employees	**April/May 06**
NIH info-sharing and Q and A sessions for supervisors and employees (optional attendance)	**Upcoming Large briefings:** **May 1: Supervisors** **May 11 & 16: Employees**
New performance plans developed	**Apr/May/June 06**
All NIH employees placed on NEW plans	**No later than June 30, 2006**
Employee ratings assigned	**Jan - Feb 07**
Determine performance award payouts	**Feb 07**
Administer performance award payouts	**March 07**

Roles and Responsibilities
ICs and Staff Offices

- **OHR (lead organization):** explain requirements; negotiate with labor unions; sponsor training; coordinate and facilitate for NIH

- **IC Performance Liaisons:** communicate requirements to IC managers; facilitate training, performance plan development, and tracking for respective ICs

- **IC Executive Officers:** ensure funds availability; monitor IC activity; certify that all staff are on new performance plans

- **NIH supervisors and managers:** performance program implementation

Challenges

- **Resource-intensive** - large scale system

- **Cultural changes** – performance distinctions and management accountability

- **T42 Senior Leader Positions** – appeal to HHS to place senior level T42 scientists in a program akin to SES

Challenges

- **Union (Bargaining Unit) Employees** – negotiations underway

- **Short time frames** - training and performance plan development

- **Technology/tracking systems** – under development

Progress to Date

- **NIH implementation plan underway**
- **Briefings on schedule**
- **Performance Liaisons orientation completed**
- **Union negotiations continue**
- **Generic performance plans for occupations such as: Secretaries, Senior Investigators, HSAs, Contract Specialists, and Budget Officers are under development**
- **Multiple levels of training under development**

Next Steps for ICs

1. Supervisors and employees to participate in mandatory HHS web-based training

2. Collaborate with IC Performance Liaisons to coordinate IC training activities and to begin drafting plans

Please visit
http://hr.od.nih.gov/PerfMgmt/default.htm
for more detailed information, including:

- IC Performance Liaison listing and resources
- the PowerPoint Presentation given today
- sample performance plans and outcomes
- detailed information on developing outcomes
- guidance on giving employees feedback